

FISCAL NOTE

HB 2659 – SB 3291

March 9, 2006

SUMMARY OF BILL: Permits the use of transit style school buses by LEAs for a period of 20 years of service.

ESTIMATED FISCAL IMPACT:

Local Govt. Expenditures – Net Decrease - Exceeds \$100,000/Permissive Over Time
Other Fiscal Impact – If transportation costs to the LEAs decline based on the reduced need to purchase new school buses, the BEP would generate less funding, thus decreasing the state and local share of the BEP.

Assumptions:

- Any impact will only occur once buses are used longer than current practice allows.
- According to the Department of Education 2004 Annual Statistical Report more than 4,000 transit type school buses are being used throughout the state. These buses are inspected by the Department of Safety annually.
- Currently, after 15 years of service, a bus can be used an additional two years if the bus has less than 150,000 miles, and can be used up to 20 years of service if the bus is rebuilt or reconditioned.
- If LEAs opted to keep buses in service longer, the costs to LEAs could potentially decline. However, maintenance expenses could increase for buses over 15 years old.
- The cost of a new 78-passenger bus could be expected to cost between \$65,000 and \$70,000.
- Since no additional inspection is required for these buses, there would be no additional cost to the Department of Safety.
- The provisions of this bill do not appear to conflict with Department of Education Rule 0520-1-5 which states “districts may use buses for 20 years if the bus is remanufactured between the 12th and 15th year of service and has 20 or less total years of service.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director